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MR. SPEAKER :—" The question is—

'That the Cotton Ginning and Pressing Factories (Madras Amendment) Bill, 1953, be passed into law.' "

The motion was put and carried and the Bill was passed into law.

(3) THE LAND ACQUISITION (MADRAS AMENDMENT) BILL, 1953.

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Mr. Speaker, Sir, I introduce the Land Acquisition (Madras Amendment) Bill[a], 1953 and move—

'*That the Bill be taken into consideration at once.*'

This is a very simple amending Bill which aims at reducing the rate of interest from 6 per cent to 4 per cent. This change is made because the bank rate has now fallen, and one or two other State Governments have adopted the 4 per cent rate. For instance, the Punjab Government have adopted this 4 per cent rate."

MR. SPEAKER :—" Motion moved—

'That the Land Acquisition (Madras Amendment) Bill, 1953, be taken into consideration at once.' "

* SRI D. SEETHARAMIAH :—" Sir, I move—

'*That the Land Acquisition (Madras Amendment) Bill, 1953, be referred to a Select Committee.*'

There are a large number of cases where compensation amounts have been paid after immense delay and the rates of compensation were very low. So the peasants were forced to go to courts, but being poor they are unable to go to courts. In this condition, it is very advisable to increase the rate of interest instead of reducing it. The Hon. Minister for Revenue said that because some other States reduced the rate to 4 per cent, the Madras State also should do likewise. It is not advisable. It will only help the Collectors 5-10 p.m. to indulge in more delays in making payment of compensation. If the rate is increased, the Collector will be more *alert* in disposing of cases. Therefore, this Bill has got to be considered in all its aspects. I say, therefore, that this Bill be referred to a Select Committee."

SRI S. RAMALINGAM :—" Sir, the Hon. Minister said when he moved the Bill that it was a very simple Bill. The Government want the consent of the House to reduce the rate of interest from 6 to 4 per cent. He has not said why he wants to reduce the rate of interest from 6 to 4 per cent. He said that in conformity with some other State, he wanted to reduce the rate of interest. If the Bill is referred to a Select Committee, we can go into the question whether we have to reduce the rate or whether we have to increase the rate. I, therefore, request the House to accept the amendment."

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[a] Published in the *Fort St. George Gazette*, dated 4th March 1953.

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* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, I submit that the Select Committee will not help the hon. Member. Because the scope of the Bill is only about the rate of interest to be charged, and not to go into the merits and the manner of giving compensation. The hon. Member said that I did not give the reason why the rate of interest should be reduced. I have already said that the Bank rate has fallen. In line with the Bank rate, we seek to reduce our rate. I oppose the amendment."

SRI C. V. K. RAO :—" Sir, I move the amendment standing in my name, namely,—

'For *the words* " *at once* " substitute *the words* " *six months later* ".' "

The amendment was duly seconded.

MR. SPEAKER :—" The question is—

'*For* the words " at once " *substitute* the words " six months later ".' "

The amendment was put and lost.

MR. SPEAKER :—" The question is—

'That the Land Acquisition (Madras Amendment) Bill, 1953, be referred to a Select Committee.' "

The amendment was put and lost.

MR. SPEAKER :—" The question is—

'That the Land Acquisition (Madras Amendment) Bill, 1953, be taken into consideration at once.' "

The motion was put and carried.

Clause 2.

MR. SPEAKER :—" There are a number of amendments to this clause. I will put them one by one to vote later. Hon. Members will move their amendments."

* SRI D. SEETHARAMIAH :—" Sir. I move the amendment, standing in my name, namely,—

'For *the words* " *six per centum* " substitute *the words* " *eight per centum* ".' "

The amendment was duly seconded.

SRI VAVILALA GOPALAKRISHNAIAH :—" Mr. Speaker, Sir, I move the amendment standing in my name, namely,—

'*In clause* 2, for *the words* " *six per centum* ", substitute " *six and one-fourth per centum* ".' "

The amendment was duly seconded.

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SRI S. VEMIAH :—" Sir, I move the amendment standing in my name, namely,—

' (i) *In clause* 2 (*i*), for *the words* " *six per centum* ", substitute *the words* " *three per centum* ".' "

The amendment was duly seconded.

MR. SPEAKER :—" The amendments are before the House for discussion."

* SRI S. VEMIAH :—" Sir, my amendment seeks to substitute 3 per cent for 6 per cent. The Government generally acquire land for the purpose of public benefit. The interest of 3 per cent is quite adequate for the reasons I contemplate. This interest will be given only on the excess amount that the court decides apart from the original fixation of the award or amount by the Land Acquisition Officer. Generally, the rich people or landlords go to the court to get more amount. Therefore, it is not advisable to give such a high rate of interest. The Government are giving compensation. In addition to that they are giving 15 per cent. In cases where the landlords succeed in a court of law, the Government are again giving them an excess amount of 4 per cent. My suggestion is that even 3 per cent is quite enough. The poor people cannot go to courts. My suggestion is that 3 per cent may be adopted instead of 6."

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, the hon. Member who has just spoken wants it to be reduced to 3 per cent while the other hon. Member wants to raise it to 8 per cent. Between the two, I must stick to my proposal of 4 per cent, which is most reasonable at the present time."

SRI T. NAGI REDDI :—" Sir, is it simply because the other States have reduced the rate to 4 per cent? "

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" The Bank rate has fallen."

* SRI D. SEETHARAMIAH :—" Sir, I want to speak on the amendment. Please permit me to do so. I am placing before the House the reasons why the rate should be enhanced. At present there are a large number of cases where lands have been occupied by the Government, and Collectors have not paid compensation at all. In Vayalpad taluk, a piece of land was acquired in 1947, but the compensation has not been paid even now. If the rate is reduced, the tendency to delay payment of compensation will be more. On the other hand, if the rate of interest is enhanced, the Collector and other officers will be alert, and pay off the compensation amount quickly. It is only for this reason I say that the rate should be raised. It is not because peasants should get more money, but it is only to expedite payment of compensation to them. The delay in the Collector's office should be curtailed. It is only for this purpose I have moved my amendment."

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Sri G. ANJANEYULU :—" ఆర్యా, శ్రీ D. సీతారామయ్యగారు తన amendment ను గురించి కారణములు వివరించెటప్పుడు రివిన్యూ మినిస్టరు మాణిక్యవేలు నాయకరుగారు శ్రీ వావిలాల గోపాలకృష్ణయ్యగారితో మాట్లాడుతున్నారు. అట్టి సందర్భములో శ్రీ సీతారామయ్యగారి amendment కు రివిన్యూ మినిస్టరుగారు ఎట్లు సమాధానము చెప్పగలుగుతున్నారు ? "

* Sri T. NAGI REDDI :—" Sir, the point that is made by the hon. Member is that the Hon. Minister was speaking to the hon. Member Sri Vavilala Gopalakrishnaiah when the hon. Member Mr. Seetharamiah was speaking. He wants to know how the Hon. Minister is going to reply to the points raised by Mr. Seetharamiah."

Mr. SPEAKER :—" The Hon. Minister has got two ears." (Laughter.)

* Sri T. NAGI REDDI :—" Sir, to speak the truth, I did not understand at the outset the very purpose of the Bill. After hearing Mr. Seetharamiah I understand a bit. He has given an instance to show wherein payment of compensation has been delayed. There may be other cases also, wherein the Government have not paid compensation probably for the last 7 or 8 years. The point is that in all those cases where compensation amounts have not been paid, a certain amount of interest is allowed on those payments. When this Bill is passed, probably those cases also will come under this new rate. (The Hon. Sri C. Rajagopalachari : ' No '.) The back numbers will get their compensation and the rate of interest which they were allowed previously. (The Hon. Sri C. Rajagopalachari : ' Yes '.) This Bill will only apply to the future transactions. The only point urged by Mr. Seetharamiah is that if the rate of interest is increased, probably the Government will make expeditious payments and not delay payments. The people who have not been paid so far have to be paid at 6 per cent interest."

5-20 p.m. * Sri VAVILALA GOPALAKRISHNAIAH :—" Mr. Speaker, Sir, whenever a Bill is introduced, it is not clearly explained why it is introduced. Only some points here and there are mentioned and we are not able to understand why it is introduced. If at least one or two instances necessitating the legislation are given, then we will be able to understand the matter. Generally, the Mover of the Bill says that it is a simple one or that it has been brought forward to rectify a clerical error. These things only add to the confusion that already exists. If the Mover, while introducing the Bill, gives at least a summary of the details of the Bill, it will be helpful to us. But, in this case, we only see some words as ' three per cent ', ' six per cent ', etc. Therefore, we are compelled to elicit more information from the Hon. Minister. Only with this object, I moved my amendment. But now I am in the same position as I was before. I am still not able to understand why the Bill has been moved.

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Therefore, I appeal to the Government to explain, at least in the future, whenever a Bill is introduced and moved, the details of it so that hon. Members may be able to understand them. There are so many Bills and Acts and we are not able to understand them in spite of our best efforts. I think the hon. Members and the Hon. Minister too will agree with me in this respect. For instance, if a clause introduces an amendment to a section of an Act, it does not give full details so as to enable us to understand what it is about.

"Coming to the present Bill, I submit the Court can now direct payment of interest at the rate of 6 per cent per annum. The Government now want to reduce that rate to 4 per cent per annum. If it is a question of banks, then it is a different matter. The Government may, in that case, say that the money is already there in the bank. But, here it is the Court that has to give the direction. If the Court is expected to give decrees for payment of interest only at the rate of 4 per cent per annum, I have no objection. But if the Court gives a particular direction, it is not proper for the Government to say that they will pay at the rate of 4 per cent only. Such a thing does not happen in the case of rich people. Only when an ordinary peasant comes up, the Government say that they will pay at the rate of 4 per cent only. I submit this should not happen. When the land is acquired, the benefit of the interest should go to the ordinary peasant and not to the Government."

SRI C. V. K. RAO :—"Mr. Speaker, Sir, I am not able to understand the logic of the position taken by the Hon. the Minister for Land Revenue when he said that some hon. Member wanted that the rate of interest must be raised to 8 per cent, that another hon. Member wanted that it must be reduced to 3 per cent, and that, therefore, he must stick to his guns. But the whole point is this. Some land is acquired by the Government and payment of compensation is not made in time. As such, how do the Government compensate for the delay in the payment of compensation? That is the question now under consideration. Here is a Court's decision that for such delay, interest should be paid at the rate of 6 per cent per annum. But the Government have now come forward to reduce it to 4 per cent. In this way, they are doing an injustice to the ryot from whom the land has been acquired. That is the first point. Secondly, the Government are trying to sidetrack the decision of the Court by fixing the interest at a lower rate. Therefore, I appeal to the good sense of the Hon. the Land Revenue Minister at least to accept the Court's decision to pay interest at the rate of 6 per cent per annum, if he is not going to increase it to 8 per cent. That is the reasonable course he can adopt."

MR. SPEAKER :—"I shall ask the Hon. Minister to reply to the points raised and then put all the amendments to the vote of the House."

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* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, my statement as to sticking to my guns was in addition to what I explained. I said that the Bank rate had fallen down and that, in order to keep in line with the general rate prevailing, the rate was sought to be reduced from 6 per cent to 4 per cent. We are giving interest from the time we take possession of the land. Also, in cases where possession of land has already been taken, this Bill does not apply. I do not know why the hon. Gentleman should object to it.

" The hon. Member Sri Vavilala Gopalakrishnaiah said that he was not able to understand the provisions of the Bill. When he reads the Statement of Objects and Reasons attached to a Bill, probably his mind is travelling elsewhere and he does not concentrate on the matter he reads. I request him to concentrate on the matter when he reads a particular thing. Then, he won't make such complaints."

MR. SPEAKER :—" The question is—

' *For* the words " six per centum ", *substitute* the words " eight per centum ".' "

The amendment was put and lost.

MR. SPEAKER :—" The question is—

' In clause 2, *for* the words " six per centum ", *substitute* the words " six and one-fourth per centum ".' "

The amendment was put and lost.

MR. SPEAKER :—" The question is—

' In clause 2 (i), *for* the words " six per centum ", *substitute* the words " three per centum ".' "

The amendment was put and lost.

Clauses 2 and 1 and the Preamble were then put and carried.

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, I move—

' *That the Bill be passed into law.*' "

MR. SPEAKER :—" Motion moved—

' That the Land Acquisition (Madras Amendment) Bill, 1953, be passed into law.' "

* SRI S. VEMIAH :—" Mr. Speaker, Sir, I am astonished to note that most of the hon. Members on this side requested the Government to raise the rate of interest. I think they have not been able to properly understand the scope of the Bill. I am glad to note that the Government propose to reduce the rate of interest to 4 per cent. My stand is that no ordinary or poor peasant will go to Court. Only the rich people or landlords will

ordinarily go to Court on the plea that the compensation paid by the Collector is not adequate. There are several instances within my knowledge and this is more or less a benefit to the rich people. It is unnecessary to allow a greater rate of interest. The rate of 3 per cent per annum is quite reasonable when we take into account the compensation paid by the Collector. Even this rate requires further reduction.''

MR. SPEAKER :—'' The question is—

That the Land Acquisition (Madras Amendment) Bill, 1953, be passed into law.''

The motion was put and carried and the Bill passed into law.

(4) THE PROVINCIAL INSOLVENCY (MADRAS AMENDMENT) BILL, 1953.

* THE HON. SRI K. P. KUTTIKRISHNAN NAIR :—'' Mr. Speaker, Sir, I beg to introduce the Provincial Insolvency (Madras Amendment) Bill, 1953, and move—

' *That the Bill be taken into consideration at once.*'

'' In doing so, I may be permitted to speak a few words. The Bill seeks to amend section 28-A of the Provincial Insolvency Act. The amendment is necessitated because on 29th August 1944 the Second Appellate Court of Pudukkottai gave a ruling that the right of a manager of a joint Hindu family to sell joint family property to discharge joint debts payable out of the joint estate was not ' property ' under section 2 (*d*) of the Provincial Insolvency Act and that, therefore, such right did not vest in the Official Receiver on the insolvency of such manager. As per the definition given under section 2 (*d*) of the Act, ' property ' includes any property in which or the profits in which any person has a disposing right which he may exercise for his own benefit. The Madras High Court, as per its decision on the 28th July 1942 reported in I.L.R. 1943 Madras 83 also held on the same lines that such right did not vest in the Official Receiver.

'' Hence the amending Act XXV of 1948 was passed by adding section 28 (A) to the Provincial Insolvency Act. This did not apply to the State of Pudukkottai. It applied only to the other parts of the State. The Provincial Insolvency Act was made applicable to the merged territories of Pudukkottai on and from 1st April 1949 by virtue of an order issued under the Extra Provincial Jurisdiction Act by G.O. Ms. No. 1166, Home, dated 24th March 1949, and later by section 1 (2) of the Merged States (Laws) Act. On both these occasions, no modification of section 28 (A) was made. Since section 5 of Act LIX of 1949 and G.O. Ms. No. 1116, Home, dated 24th March 1949, repealed the corresponding laws prevailing there, it is found necessary to amend section 28. Now what is sought to be done under this Bill is to amend section 28 (A) by substituting ' 7th day of May 5-30 p.m.

* Published in the *Fort St. George Gazette*, dated 4th March 1953.